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Mayor's Taxi Task Force

Final Report

May 22, 1998



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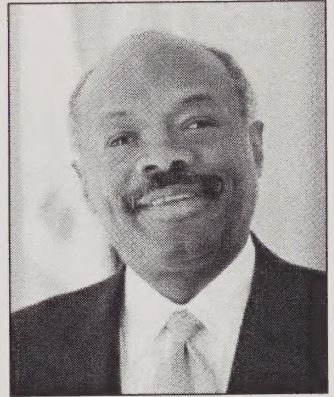
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April 21, 1998

San Francisco is always rated as the world's favorite destination and deserves to have world class taxi service. To that end, I am pleased to forward the report of the Mayor's Taxi Task Force. These recommendations will greatly improve cab service for every sector of San Francisco. This report represents the compiled effort from dozens of meetings and hundreds of hours devoted to bettering taxi service.



This Task Force is representative of the industry and consumers. Participants in the Task Force include: drivers, managers of taxi companies, seniors, disabled, hotel representatives, downtown businesses and relevant City representatives.

The Task Force reviewed all aspects of the industry and made recommendations to be acted upon by appropriate City entities. Some of the topics discussed include: Paratransit issues, whether medallions should be issued, gate control, meter increase, centralized dispatch/dispatch standards. Supervisor Gavin Newsom did an outstanding job of co-chairing the Task Force and he will carry needed legislation.

Task Force members receive my deepest gratitude for their contributions to this report and for their service to the City of San Francisco. My office will work closely with Supervisor Newsom and appropriate City entities to implement their recommendations.

Sincerely,

A handwritten signature in cursive script, reading "Willie L. Brown, Jr.", written in dark ink.

WILLIE L. BROWN, JR.
Mayor

GAVIN NEWSOM

Board of Supervisors

City and County of San Francisco



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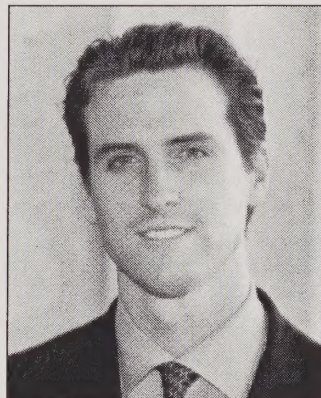
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April 21, 1998

It has been my distinct honor to serve as the Co-Chair to the Mayor's Taxi Task Force. For the past eight months, I have met on a weekly basis with a group of many dedicated individuals selectively chosen for the Task Force because of their proven expertise in and coverage of every area of the taxi industry. These citizens sacrificed their time in the hope of making a difference. Diverse viewpoints were welcomed and respected during our deliberations, leading to an unanticipated building of consensus on most agenda items.



The Task Force's goal was twofold: to increase the level of customer service and to improve working conditions for drivers. Through a process of debate, the Task Force developed many well-reasoned recommendations, which are included in this report.

One of the most poignant facts learned during the process was that cab drivers suffer the highest incidence of occupational homicide. The Task Force was sadly reminded of this fact by the tragic killing of a driver on his regular shift during the first week of December, 1997.

I am confident that this interlocking set of changes contained within our report will improve the industry and quality of life for taxi riding San Franciscans and visitors; these changes will result in making San Francisco a leader among taxi services nationwide.

Sincerely,

A handwritten signature of Gavin Newsom in dark ink.

GAVIN NEWSOM

Member, Board of Supervisors

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BACKGROUND

INDUSTRY FACTS

Authorized Cabs:	950 standard taxicabs <u>31</u> wheelchair accessible/ramp taxis 981 total
Number of Cab Companies:	34
Medallion Distribution:	1 to 313 medallions per company
Taxicab Dispatch Services:	10
Number of Drivers:	2,500 active full-time 2,000 active part-time <u>1,500</u> inactive 6,000 total
Airport Parking Spaces:	210
Average Annual Airport Exits:	1,142,000
Pre-Prop. K Permits:	509
Post Prop. K Permits:	441
Post Prop. K Ramp Taxis:	31
Corporate Permits:	132
Average Driver Shift:	10 hours (maximum allowed by law)
Average Trips Per Driver:	20-30 trips per shift
Total Fleet Size:	1,150 vehicles, including spares
Number of Applicants Waiting for Medallions:	2,100
Current Fare:	\$1.70 flag drop, including the first 1/6 mile; \$.30 each additional 1/6 mile; \$.30 surcharge for each one minute waiting time.

SURVEY OF SERVICE

The Taxi Detail conducted a survey of taxi service, beginning on May 14, 1997, ending May 20, 1997. During this study, police officers randomly called selected cab companies from pre-selected areas of the City. The taxicab dispatch services were selected and called in the same ratio as the number of cabs subscribing to those services. Upon arrival of the taxi, the time from dispatch request to arrival was noted and the driver was paid \$5.00, thanked for arrival, and advised that this was a Police Department survey.

Those instances where either no cab showed within 30 minutes or where the dispatch service did not answer the phone were also noted.

The results follow:

- 155 total calls made
- 137 requests for taxis placed
- 18 calls were not answered
- 79 taxicabs arrived,
averaging 20 minutes for arrival
- 58 occurrences where no cab arrived

Companies and fleet size are in a constant state of flux. The following lists, as of this report, known cab companies and approximate number of permits:

Yellow	313
Desoto	98
Veterans	84
National	82
Luxor	76
United	64
Town	39
Sunshine	25
Pacific	25
City Wide	23
Regents	15
Royal	15
Ace	14
BW Checker	13
Diamond	11
Metro	11
Bay	10
Delta	5
Falcon	5
Prime time	5
SF Taxi	5
TaxiTaxi	5
Advent	4
Bayshore	4
Central	3
Friendly	3
Golden Gate	3
Ciao	2
King	2
Arrow	1
Express	1
Lucky	1

OVERVIEW

Taxicab service in San Francisco has long been criticized as inadequate, inefficient and not of a caliber that a city such as ours deserves. This feeling has been expressed across the board by tourists, residents, cab drivers, cab owners, business people and people with disabilities.

It seems everyone has had a concern about the state of San Francisco's taxicab service. Residents say cab service to their homes is unreliable at best. Tourists complain of long waits at hotels and at the Airport. Business people cite the lack of cabs downtown during rush hours. Cab drivers, who are independent contractors, say fares are too low, resulting in their inability to earn a living wage. Senior citizens and San Franciscans with disabilities who use cabs as a primary means of transportation complain that their most commonly used mode of payment - taxicrip - is not accepted by all taxi services.

San Francisco's taxicab industry is governed by a City ordinance - Proposition K - passed in 1978, which was designed to promote the proliferation of small business cab companies. Although both types are still in circulation, medallions issued prior to Proposition K are not subjected to the same regulations as those issued after the passage of Proposition K.

Pre-Prop. K medallion holders are not required to drive their own cabs. They may lease their medallions on a 24-hour basis to any company, sometimes commanding a lease fee of up to \$3,500 per month. Post-Prop. K medallions must be owned by individuals rather than by cab companies. Holders, at the issuance of the medallion, must sign an affidavit promising to drive their cab for at least 4 hours in any 24-hour period on at least 75 percent of the business days during a calendar year.

Taxi medallions cannot be sold or transferred. The current waiting list of medallion applicants is roughly 12 years in length. As a result, cab company owners, whose income derives from leasing medallions, say they are forced to compete among themselves for medallion holders rather than competing for customers.

Mayor Willie L. Brown Jr. hosted a Town Hall meeting in June, 1997 at which these concerns were aired. As a result, he appointed a Taxi Task Force, consisting of 27 representatives - residents, drivers, seniors, people with disabilities and City departments. Mayor Brown serves as the Chair of the Task Force, Supervisor Gavin Newsom as the Co-Chair. The Task Force has been meeting weekly for eight months under the direction of Supervisor Newsom.

The Task Force deliberated on a variety of issues, including, but not limited to: Airport deadheading; traffic laws; driver training; Police Chief rules; Paratransit; dispatch standards; meter rates; gate fees; number and type of medallions; environmental solutions; Taxi Detail, enforcement and oversight; permit leasing; customer service; and employment status, benefits, and safety for drivers.

The following report is a list of recommendations prepared by the Task Force. All recommendations must go before the appropriate City body: the Board of Supervisors, the Police Department and/or the Board of Permit Appeals. Some recommendations may require voter approval.

RECOMMENDATIONS OF THE TAXI TASK FORCE

I. AIRPORT

The Airport issues are multi-faceted: residents are concerned about cabs waiting at the Airport for fares instead of picking up radio calls in San Francisco, tourists and business travelers believe there are not enough cabs at the Airport at certain times, drivers think the working conditions are unpleasant and that the starters (employees who direct taxi traffic at the Airport) are not properly trained.

The Task Force considered a flat fare from the Airport to downtown San Francisco as a deterrent to deadheading to the Airport (when cabs go to the Airport for fares without a passenger, instead of taking local fares). Similar fare structures exist in New York, Los Angeles and other cities in an effort to discourage cab drivers from waiting at hotels and at the Airport.

The Task Force reviewed many issues that did not receive sufficient support from the body. For example, the Task Force did not support a request from the Airport to charge the passenger a \$1 fee to pay for ground transportation improvements. Cab drivers currently pay \$2.50 to use the Airport's ground transportation facilities; the Airport would like to increase the fee to \$3.50 and to require passengers to pay the extra \$1.00, to cover the cost of taxi services at the Airport. Task Force members were concerned that other ground transportation users, such as BART, shuttles, vans, and limousines were not paying a proportionate share. The Task Force also reviewed the concept of odd/even days at the Airport in an effort to reduce deadheading but could not come to consensus on this issue. In addition, the concept of Airport-only cabs did not receive sufficient support from the Task Force.

The Task Force voted to make the following recommendations:

- **Have the Airport create a signal that would notify companies and drivers about the need for cabs at the Airport;**
- **Further investigate the possibility of a flat fee from the Airport to San Francisco to deter deadheading;**
- **Improve the communication and cooperation between Airport and drivers;**
- **Provide better bathroom service for cab drivers;**
- **Increase the quality of food available to drivers;**
- **Enhance ventilation in underground garages;**
- **Improve training for starters.**

II. PARKING AND TRAFFIC

Cab drivers are not unique in complaining about San Francisco's downtown maze, rife with congestion, no left turn signs, one way streets, and a dearth of parking. What distinguishes cab drivers from the remaining public is the fact that a driver's income and ability to serve the public depend on successful navigation of these streets. The Task Force recognized that cabs are a part of our public transportation system, not unlike MUNI. Accordingly, the Task Force developed a set of traffic and parking concessions geared towards aiding cab drivers in efficiently performing the most prominent duty of their profession: driving.

Residents, seniors and the disabled community clamored for some means of luring cabs into neighborhoods. The Task Force concluded that cab stands might be one solution to making cabs more accessible. Thus, MUNI and the Department of Parking and Traffic worked cooperatively with the Task Force in identifying viable traffic changes and in locating appropriate sites for cab stands.

The Task Force voted to make the following recommendations:

- Taxicabs may use blue zones as momentary pick-up/drop off spots for disabled and elderly customers; MUNI zones may be used for loading and unloading passengers when they do not create a hazard (Note: driver must remain within immediate presence of vehicle);
- The Department of Public Works and the Department of Parking and Traffic will make information on parades and street closures available to all taxi drivers on a consistent basis.

Recommended Extended Tow-Away Hours:

- DPT will extend Tow-Away Hours in seven locations:
 - New Montgomery, both west and east sides;
 - Market to Powell; Market to Howard;
 - Mission to Howard;
 - Market to Sutter; Sacramento Street (Kearny to Grant);
 - King Street (5th to 3rd).

Recommended Neighborhood Taxi Stands:

- DPT will implement taxi stands in these areas:
 - North Beach;
 - Kaiser (Geary Boulevard and St. Joseph's Avenue);
 - All Hospitals;
 - Caltrain Station;
 - TransAmerica Building;
 - 101 California;
 - Stonestown;
 - Moscone Center;
 - Golden Gate Park.

Recommended Left Turns:

- Mission onto 3rd Street;
- Southbound Mason at Market Street;
- Westbound Mission at 10th Street;
- Westbound Mission at 4th Street;
- Eastbound Mission at 2nd Street, Northbound 4th Street at Townsend. These will be trial exemptions.
(NOTE: most of these will not be allowed between 4 p.m. - 6 p.m. M-F).

III. DRIVER TRAINING

The taxi industry experiences an average 33% annual turnover rate for drivers, resulting in 1,000 new drivers per year. It is essential that these drivers be well trained. The Taxi Detail informed the Task Force that most of the complaints about taxi drivers are for poor driving which results in accidents; assaults on passengers; and harassment.

Currently, there are two driver schools: City College and Flag-A-Cab. Prospective drivers must complete one of these courses to qualify for the San Francisco Police Department's exam. Currently, preliminary courses last for 2 days at 8 hours/day at either Flag-A-Cab or City College. Topics include: Geography (2 hours); Crime Prevention (2 hours); California Civil Code (1 hour); Chief's Rules (1 hour); Traffic Safety (1 hour); Professional Ethics, Passenger Relations (5 hours). Courses are pass/fail. Once these courses are completed and passed, drivers take an additional 7 hour course on Paratransit issues and sensitivity training at the San Francisco Police Department.

The Task Force considered but did not support the following requirements for courses: stress reduction, minimum English requirements for drivers, and consolidating both training schools.

The Task Force voted to make the following recommendations:

- **Increase overall training from 16 to 38 hours. Specifically increase the required minimum hours for the following:**
 - **City Geography (from 2 hours to 8 hours);**
 - **Crime Prevention (from 2 hours to 4 hours);**
 - **Vehicle/Pedestrian Safety (from 2 hours to 3 hours);**
 - **Passenger Relations (from 4 hours to 8 hours, including cultural sensitivity);**
 - **10-20 Hour Apprenticeship program for new drivers approved;**
 - **Refresher courses, modeled after Real Estate/Attorney courses;**
 - **Require companies to give notice of all competing training courses.**

IV. TAXICAB REGULATIONS OF THE CHIEF'S RULES

The Taxicab Regulations of the Chief's Rules are the rules and regulations for the taxicab industry. The regulations define what permit holders, drivers, and cab companies must adhere to in order to keep their permits and maintain their businesses.

The Task Force considered the regulation of replacement cabs and public safety to be high priorities. Cabs generally travel at least 100,000 miles per year. When cab companies are located outside of San Francisco, drivers spend a considerable amount of time on shift changes. At least 20-25% of cab companies do not have a place of business in San Francisco and are not staffed Monday-Friday between the hours of 9:00a.m.-5:00p.m. This is a problem for consumers looking for lost belongings and for the police to have ready access to company files.

The Task Force voted to make the following recommendations:

- **Regulate quality standards for all taxicabs. New cabs may be no more than 2 model years old when placed into service. In addition, taxicabs may run for a period of 3 years, plus 1 year for use as a spare cab. There will be special exceptions for single-shift cabs;**
- **Shift changes will occur only at the place of business;**
- **Cab companies will be staffed at this place of business from Monday-Friday, 9 a.m.-5 p.m.;**
- **Companies will devise their own filing system for waybills and have a set time when waybills are available for police inspection;**
- **Cab companies are prohibited from blocking the third brake light on cabs with advertisements;**
- **Cab companies will be responsible for washing the cabs (it had previously been the responsibility of the cab driver);**
- **Cab companies will have 24 hour fax machine.**

V. DISPATCH STANDARDS AND CENTRALIZED DISPATCH

The Task Force discussed the issue of dispatching cabs from two perspectives: A) Having a centralized dispatch system, which is advocated by consumers, small cab companies and some drivers; or B) setting standards for current dispatch systems.

The Task Force heard persuasive arguments supporting the creation of a centralized dispatch system. If implemented appropriately, all cab companies would be part of the centralized system and every cab would be accessible to consumers. Anecdotally, the computerized dispatch system brings more drivers into the system. With computerization, orders are automatically given to the next driver in line in a given zone, thus leveling the playing field between drivers with varying degrees of familiarity with the streets.

This system would make full use of available technology by allowing customers to use debit cards, credit cards, computerized Paratransit, etc. Centralized dispatch would allow dispatchers to customize service and fulfill special needs. It would improve road safety by preventing multiple cabs from responding to the same call. In addition, technology would increase safety for drivers by allowing dispatchers to immediately locate cabs in distress.

The Task Force considered the following:

- Who would run the system? Recommendations included: independent operator, single cab company, or the City. The Network would allow each company to retain a dispatch office, linked by a computer.
- What type of system would be chosen? Unified (under one roof) or network (where each company retains an office and is linked by computer).
- Where would the system be housed? Choices: at a cab company or in cyberspace.
- How would the system function? One plan suggests allowing the customer universal access by dialing one number. The Task Force agreed that customers should have the choice of a particular company for a specified period of time before the order goes to another company, thus preserving company identity while leveling the playing field for all companies.
- Who would pay for the cost of setting up the system?

The Task Force considered but did not support the idea of charging extra for radio calls because of its adverse effect on both the senior and the disability communities.

The Task Force voted to make the following recommendations:

- All Calls will be answered by human or mechanical device within 5-8 rings;
- Each Service must employ a minimum of one operator or call taker for each 75 cabs during peak hours;
- All calls must be dispatched. Upon complaint, if no cabs were available, the service must account for the unavailability of each cab;
- All Dispatch Services must advertise in the Yellow Page Classified, giving their 24 hour number and listing which color schemes they dispatch for;
- All cabs within a specific color scheme shall subscribe to the same dispatch service;
- All drivers will handle an average minimum of 10 radio calls per shift, or equivalent ratio if service has fewer than 10 calls per driver;
- Upon request, all dispatch services shall provide callers with an approximate arrival time of the taxicab requested.

VI. PARATRANSIT

Paratransit is a subsidized transportation program for those who cannot use public transportation services (mostly for people with disabilities and seniors). Paratransit has been a part of San Francisco transportation services since the late 1970s, serving people on fixed and pre-arranged routes and expanding to taxi service in the late 1980s. San Francisco is unique in providing same day Paratransit service; in other cities consumers make a reservation one day in advance.

In the early 1990s, the Americans with Disabilities Act (ADA) was passed. Under ADA, public transportation for people with disabilities became a civil right. Because MUNI cannot accommodate all residents, MUNI sought to supplement its services with taxi transportation.

The service is provided by a grant from the federal government; the Paratransit budget is approximately \$10.7 million with additional funding from BART and the City's General Fund. MUNI currently contracts with a Paratransit broker, Cerenio Management Group (CMG). Cerenio Management Group, following federal guidelines, determines who qualifies and ensures that the scrip (subsidized payments) is delivered promptly to the consumer. Currently, eight cab companies participate in the Paratransit program, including: Town, National, DeSoto, Luxor, Yellow and three companies in Daly City. Participating cab companies must have a minimum of \$1 millions in liability insurance and be accountable for processing scrip.

MUNI is working to modernize the scrip program. In competitive bidding, the City awarded Yellow Cab Co-op the contract to begin implementation of the debit card program which will replace scrip. In addition, MUNI has an active advisory council, the Paratransit Coordinating Council composed of users, agencies, and providers helping to monitor the Paratransit program.

MUNI, in recent negotiations with the cab companies, reached an agreement on the following issues: continuity of service, equity of financial agreement, and improvements to the quality of service given to Paratransit consumers. In accordance with the agreement, the discount rate that companies were providing to the City has been lowered from 8% to 3%. Performance standards have also been established, making companies accountable for greater customer responsiveness. In addition, participating cab companies will dedicate a special telephone line to Paratransit consumers. Companies must give 120 days notice before canceling their participation in the Paratransit program. Finally, an agreement to streamline billing and reporting of Paratransit scrip has been made.

Paratransit consumers enumerated many areas of concern about taxi service, including: little control over response times, varying degrees of responsiveness, fraud, and lack of sensitivity training for drivers. Accordingly, varying levels of response exist from cab companies who participate in the Paratransit program.

The Task Force considered but did not reach consensus on the following issues: having all companies participate in the Paratransit program immediately and having the required liability insurance lowered to assist small cab companies.

The Task Force voted to make the following recommendations:

- **All cab companies will participate in the Paratransit program by 1999;**
- **Require 10% of all cabs be wheelchair accessible in 5 years;**
- **Adequately fund the ADA sensitivity training program;**
- **Include ADA sensitivity questions in the driver exams;**
- **Place large signs and Braille in cabs, on the right rear door showing the cab number and company name so the vision impaired can easily identify cab and driver;**
- **Ask the Hotel Council and the Golden Gate Restaurant Association to co-sponsor a Cab Driver of the Year Award to cultivate relations among the three groups;**
- **Extend the agreement for Paratransit service for an additional twelve months.**

VII. METER RATE

The Board of Supervisors is required, by ordinance, to review the meter rates annually. Current rates for taxicabs are: \$1.70 initially, \$1.80 per mile in \$.30 increments per each 1/6 mile, and \$.30 per minute of waiting time. A meter increase has not been granted since 1991; drivers and members of the taxi industry believe that an increase is long overdue.

The Task Force wanted to give an adequate raise to drivers in such a way that would keep drivers in San Francisco, rather than pursuing more lucrative Airport runs. The meter has been traditionally increased by raising the flag drop, the mileage, and the wait time. The Task Force was unwilling to recommend a meter increase until there was an absolute guarantee that service would improve.

The Task Force voted to make the following recommendation:

- **The Controller will determine the level of inflation since 1991, place the suggested increase within the flag drop and the wait time, and submit this finding to the Board of Supervisors for action. Pursuant to the Controller's findings, adopt the following meters: \$2.50 flag drop, \$.40 per one minute waiting time, mileage remains the same.**

VIII. MEDALLION SYSTEM

A. Interlocking Issues

The Task Force deliberated for many hours on possible correlations between meter rates, gate fees, the number of medallions, and permit leasing rates. Authors of previous taxi reform ballot measures had considered these issues together.

This proved to be a very complex debate. From the driver's perspective: every time that the Board of Supervisors has raised meter rates, that raise has resulted in companies raising gate fees. Companies argue that an increase in the overall number of medallions would alleviate the need to charge such high gate fees per individual medallion. With regard to permit leasing fees, most companies and drivers advocate a reduction or a cap on these fees because companies allocate a large portion of profit to leasing the medallions from medallion holders. These permit lease fees are recouped directly from the money drivers pay to companies in gate fees.

The Task Force did not reach consensus on this issue.

B. Medallions

The Department of Parking and Traffic presented relevant information to determine the number of cabs which could best serve the City. San Francisco has the highest number of passenger vehicles per square mile in the world. However, San Francisco ranks low in the ratio of cabs per hotel room. After careful consideration of cabs per capita, cabs per square mile, and cabs per airline passenger, the Task Force concluded that there was no clear formula to determine what number of cabs best serves a city's population.

The Task Force carefully considered the implications of more medallions in the context of the planned increase in hotel rooms, expansion of the Airport and Moscone Center, and most importantly, the impact additional cabs would have on the ability to serve outlying neighborhoods. Additionally, the Task Force reviewed the possibility of peak-time permits, City-only permits, and Airport-only permits, discussed belows.

The Task Force was particularly concerned about the impact that more medallions would have during off-peak hours on weekday nights and weekend days.

The Task Force voted to make the following recommendations:

- **Issue 300 medallions: 250 medallions and 50 Ramp Taxi medallions in 1998; measure the impact, and**
- **If that does not satisfy the need, issue another 100 peak-time only permits in 1999.**

C. Gate Control

Gates are the rental fees that drivers pay to companies each shift. Unlike the meter rate, gate fees are not regulated by the City. The companies justify raising gates because a fixed number of medallions means that companies must spend up to \$3,500 per month in lease fees in order to lure more medallion holders to a particular company.

Since Proposition K, competition for medallions has increased and therefore medallion leasing prices and gate fees have grown. Gate fees have increased dramatically over the last seven years, from an average of \$65 in 1991 to an average of \$95 in 1998, whereas meter rates (from which drivers earn money for gates) have remained constant.

Other cities, such as Chicago, and Boston, regulate their gate fees. The Task Force considered having the Controller's office conduct an independent study of the industry to determine a fair gate. Considerations discussed but rejected included: the creation of a flat gate for the industry or the determination of a formula, individually tailored to companies utilizing their relevant costs, i.e. building, vehicles, profit, etc. Additionally, the Task Force discussed but did not adopt peak-time gate control, a ceiling on gates, and a motion to roll back gates to \$66.

The Task Force voted to make the following recommendation:

- **Cab companies will be required to have a maximum average gate of \$90 for 24 months.**

D. Medallion Leasing Rates/Control

Medallion leasing rates are the monthly fees which medallion holders charge cab companies to rent their medallions. The current trend in the taxi industry is that permits are being increasingly transferred to smaller cab companies. One theory behind this trend is that smaller companies have more cash flow because they pool funds for dispatching systems and office space. Unlike larger companies like Yellow Cab or Luxor who have large office spaces and other equipment, many smaller companies are able to offer more money for permits. The majority of the Task Force believed the medallion leasing rates to be excessive. Cab companies and drivers expressed concern with leasing fees because competition is over medallion holders and not for customers and drivers. In addition, some cab companies believe permit holders are responsible for a company's lack of profits. The Task Force considered, but did not recommend the elimination of leasing altogether, which would allow companies to set gates at a level which ensures a reasonable profit and allows drivers to earn a living wage.

The Task Force also recognized the difference between pre-K and post-K medallions and considered but rejected placing a special cap on the former. Pre-K permits do not have driving requirements; thus, current drivers end up paying large amounts in gate fees to fund these permits.

The Task Force voted to make the following recommendation:

- **Place a lease cap on all medallions in the amount of \$1,800 per month which will expire in 24 months.**

E. Seniority System for Drivers

Proposition K was intended to create medallion-holding drivers, on the theory that the pride of ownership would result in better customer service and greater dedication to the business. However, Proposition K does not describe an application process. Thus, the Police Department created a waiting list where more than 2100 applicants have been awaiting the right to hold a medallion, some for more than ten years.

Who may apply for a City allocated permit to operate a vehicle as a taxi? Currently, anyone who pays a fee and fills out an application may assume a place on the waiting list, which gives top priority to the person who has been waiting the longest. Under this system, applicants are rewarded for foresight rather than for record of service to the industry.

Under a seniority system, drivers who had shown commitment through a long-standing record of service to the industry would be afforded priority rather than those who had complied with the standard registration process. A seniority system could be accomplished in a variety of ways. For instance, an existing Board of Supervisors resolution, passed in 1988, sets policy stating that persons awarded permits must have been active drivers for the

year prior to being awarded a permit. Because this law is not retroactive, approximately 150 applicants on the current waiting list will not have to meet the pre-requisite of an active driving requirement in order to become permit holders.

The Task Force examined and rejected the following suggestions: automatically place drivers on the list and require that those drivers remain active to maintain their position on the list; set aside a small number of medallions for persons who have substantial driving experience, e.g. 20 years; use A-card registration numbers to determine the recipients of newly issued medallions; and place all active drivers on a list which would be advanced by showing that listed members had maintained an active driving requirement.

The Task Force voted to make the following recommendation:

- **Ratify the 1988 Board of Supervisors resolution which gives preference to drivers on the waiting list who have driven for one year preceding the availability of new medallions.**

F. Exceptions to the Driving Requirement

In December 1997, the Taxi Detail sent letters informing post-K permit holders that they could lose their permits if they do not fulfill the driving requirement, as required by Proposition K. Some respondents claimed infirmity or management obligations which did not allow them to meet their driving requirement.

In some instances a medallion holder may not be fulfilling the driving requirement but may be working in the industry in another capacity. The Task Force reviewed this issue carefully, but favored honoring the driving requirement in Proposition K.

The Task Force voted to make the following recommendation:

- **Allow people in a managerial or administrative capacity to be exempt from the active driving requirement by allocating one exempt manager for every 50 permits and one exempt administrator for every 25 permits.**

G. Conditional Permits:

1.) Owner Operated

The Task Force considered the implementation of conditional permits to be used only during designated times. Permits would have similar driving requirements to the current requirements in Proposition K. Theoretically, with owner operated permits, owners would elect to drive during the most profitable, or busy times. Thus, these newly issued medallions would not affect existing business during the slower parts of the day.

Opponents to the owner operated permits believe there is too much business at all times to have part-time cabs. In addition, gate fees may need to be raised to pay for new cabs and dispatch services. When Proposition K was reviewed by the City Attorney to determine whether owner operated permits would be legal, the City Attorney opined that permits may be limited by times and days, but that, under Proposition K, the City may not legally restrict leasing of the permits to a single operator.

The Task Force did not make a recommendation on the issue of owner operated permits due to a deadlock.

2.) *Peak Time*

The Task Force gave careful consideration to the idea of peak time permits, defined as permits which allow cabs to operate at certain busy times during the day. These permits would be restricted by hours and shifts. The Task Force deliberated whether or not to make accommodations for the age of the vehicle used for these permits.

The Task Force considered but rejected a motion which would have allowed permits to be operated Monday-Friday during the day shifts, Monday-Saturday during the evening shifts, with additional shifts to be determined by the company. The Task Force also failed to adopt a motion which would have limited 100 of the first 300 medallions to peak time operation.

The Task Force voted to make the following recommendation:

- **If other permits are issued beyond the first 300, 100 will be conditional use/peak time permits. Recommended hours of use are Monday-Thursday 12 p.m. -8 p.m., Friday 11 a.m.-3 a.m. and Saturday 5 p.m.-3 a.m. Ramp Taxis will be exempt from these restrictions.**

3.) *City-Only*

The Task Force considered the implementation of a City-only permit to keep taxis in the City serving residents and tourists. The permit, like Paratransit permits, would be optional for people on the waiting list and would keep cabs from sitting at the Airport. To entice people on the waiting list to take City-only permits, A-card and permit fees could be lowered. In addition, companies would be asked to lower gates for City-only permits as an incentive to drivers. This motion, however, did not receive sufficient support from the Task Force.

H. DRIVING REQUIREMENTS

Earlier this year, the San Francisco Police Department sent letters to medallion holders explaining changes to the driving requirements for Proposition K owners. While the requirement had previously been interpreted to mean two full shifts a week, the new interpretation states that medallion holders (under Proposition K) will have to drive four 5-hour shifts a week. While this new requirement is a narrower interpretation of Proposition K, many Task Force members advocated for a return to the prior interpretation of the driving requirement.

The Task Force voted to make the following recommendation:

- **Set the driving requirement at 800 hours per calendar year.**

I. CORPORATE PERMITS

There are three kinds of permits: pre-K, post-K, and corporate. Corporate permits are permits which are held by a corporation rather than by an individual. Prior to Proposition K, permits could be held by corporations. Currently, 132 corporate permits exist. Proposition K states that any sale or transfer of 10% or more of the stock ownership or assets of a corporate permit holder shall result in the corporate permit becoming null and void. The Police Commission has approved various stock transfers but has never revoked permits.

The Task Force considered but rejected a compromise using a proportional formula that allows corporate permit holders to return a certain number of permits over a period of time rather than revoking them all at once.

The Task Force voted to make the following recommendation:

- **Revoke corporate permits which qualify under the 10% transfer of stock and distribute those permits to people on the waiting list pursuant to Proposition K.**

IX. ENVIRONMENTAL SOLUTIONS

A. *ALTERNATIVE FUEL CABS*

The Task Force discussed how the taxi industry can improve San Francisco's environment by replacing some of the fleet with Compressed Natural Gas (CNG) or electric hybrid vehicles. Electric vehicles, natural gas and propane are all cleaner than gasoline. CNG cabs are used experimentally in New York, Washington D.C., Chicago, and Toronto.

Some concerns include: the relative dearth of fueling stations; the fact that CNG tanks displace luggage space which is crucial to serving the public; and the high cost of the CNG vehicles, only recently available in larger sedan form.

These vehicles typically get about 15.5 miles per gge (gallon of gas equivalent) when running on CNG. They achieve a range of 140-150 miles per tank, requiring that drivers refuel once daily. The fuel is less expensive than gasoline, with pump prices ranging from \$.90 to \$.95 per gge. CNG causes less wear and tear on engines, thus resulting in the need for less maintenance. Finally, according to the Police Department, which uses the CNG vehicles as a regular part of its fleet, the vehicles drive no differently from gasoline powered vehicles. Thus, drivers would require very little, if any, retraining.

PG&E provided a short presentation to the Task Force on these vehicles and has offered to assist in locating financing for a pilot project. The federal Department of Energy has provided such financing to other cities.

The Task Force voted to make the following recommendation:

- **Endorse the implementation of alternative fuel taxis on a pilot basis.**

B. CAB POOLING

In an effort to encourage people to share cabs, the Task Force considered having the City post a route that cabs could informally follow - a taxicab pool route that would transport a predetermined number of passengers for a fixed dollar amount. Accordingly, there would need to be extensive public education about the route. Initially, the Chief's Rules would have to be amended to allow cab drivers to solicit for additional fares when the cab is occupied.

The Task Force voted to make the following recommendation:

- **The City will create one or two voluntary routes on a pilot basis with a minimum \$4 flat fee to determine feasibility.**

X. TAXI DETAIL STAFFING

The Taxi Detail has the following staff: one sergeant and one officer who work on passenger complaints and driver training, another officer who handles the overload of passenger complaints from the Department of Weights and Measures regarding the enforcement of meters, and an officer who works on issuing permits, and various Proposition K issues. Additionally, there are two clerical positions assigned to the Taxi Detail.

The Task Force has approved a number of rules and regulations which, if approved by the appropriate City entities, will require enforcement by the Taxi Detail. Therefore, the Taxi Detail will need additional staffing to adequately monitor the industry.

The Task Force voted to make the following recommendation:

- **Allocate a minimum of one officer and one half time civilian per 200 medallions.**

XI. HOTEL GRAFT AND ILLEGAL LIMOUSINES

Illegal limousines threaten the stability of the industry. Yet, how can limousine permits, which are issued frequently by the State's Public Utilities Commission, be regulated? Currently, limousines are allowed to pick up customers if those pick-ups are arranged in advance, however, many times at the Airport, hotels, and other downtown establishments limousine drivers will solicit passengers for pick-up. Ostensibly, such activity creates an unlawful competition with taxis.

According to anecdotal evidence, graft is rampant within the taxi industry. Specifically, some drivers bribe company employees for better treatment, such as access to a newer cab and longer fares.

Additionally, some drivers pay a premium to hotel doormen for the guarantee of a better fare. Cash exchange of this nature is difficult to regulate. Accordingly, the Task Force did not reach consensus on this issue

The Task Force voted to make the following recommendations:

- **Increase the fines and penalties for illegal limousines and vehicles;**
- **Request that the state strengthen its definition of pre-arranged rides;**
- **Vigorously enforce regulations against illegal bribes and graft.**

XII. EMPLOYMENT STATUS

Prior to passage of Proposition K in 1978, drivers were represented by the International Brotherhood of Teamsters Local 265. Subsequently, cab companies have classified drivers as independent contractors. The Task Force considered whether these drivers should be classified as employees instead. Arguably, it would be in the City's interest to have cab companies employ cab drivers for two reasons: 1) Payroll taxes would increase the City's General Fund (a previous Budget Analyst study said that if drivers were employees, it could collect up to \$1.3 million a year in additional revenue) and 2) drivers would be able to receive health benefits and not have to use City clinics for medical purposes. Although very few drivers choose to be classified as employees, some companies offer employee status as an option. Other cities, such as New York have union drivers, thus allowing drivers to negotiate most terms of their employment.

The Task Force voted to make the following recommendation:

- **Active drivers who do not hold a permit may petition for employee status. The Board of Supervisors shall enact an ordinance providing that, if a simple majority sign the petition, all drivers shall become employees of their designated color scheme, subject to an exemption for the permit holder who also drives.**

XIII. FINAL TOPICS

Permit Fees

Fees are required by state law to be limited to cost recovery. The Task Force outlined different increases to permit fees in order to pay for the staffing and other recommendations of the Task Force.

The Task Force voted to make the following recommendation:

- **Approve the following schedule of fees:**

<u>Permit Type</u>	<u>Current Fee</u>	<u>Recommended Fees</u> <u>981 Medallions</u>	<u>Recommended Fees</u> <u>1281 Medallions</u>
Driver Applications	\$53	\$75	\$65
Driver Renewals	29	45	40
Permit Application	268	450	450
Permit Renewal (Paratransit)	138	250	220
Permit Renewal	346	620	550
Ramped Taxi Application	277	325	325
Ramped Taxi Renewal	138	200	175
PC & N Application	96	200	200
Color Scheme Change	68	125	125
Lost Medallion	100	150	150
Metal Medallion	25	25	25
New Color Scheme Application	68	2,500	2,500
Color Scheme Renewal	None	2,500	2,500
Dispatch Service	347	2,500	2,500
Dispatch Service Renewal	346	2,500	2,500

Complaint/Compliment Line

To better serve the public, the Task Force unanimously supported a special number for the complaint/compliment line.

The Task Force voted to make the following recommendation:

- **The Taxi Detail will establish a complaint/compliment line with the number 1-800-SFO-TAXI, or a similar mnemonic.**

Seat Belt Message

New York taxis feature celebrity voices in recorded messages reminding cab customers to wear a seat belt.

Drivers expressed concern because they did not want to hear repeated messages throughout their shifts.

The Task Force voted to make the following recommendation:

- **Implement the seat belt message project as a pilot, so long as there exists an on/off switch.**

Lights on Taxi Stands

Though taxi stands exist, they are difficult to see both from the driver and the passenger perspectives. The Task Force recommended that lights be placed on the buildings by the taxi stands so that the stands are more visible to taxi drivers and passengers.

The Task Force voted to make the following recommendation:

- **Lights may be placed on top of the taxi stands so long as they are paid for by the business that requested the stand;**
- **The Department of Parking and Traffic will work with those businesses to encourage their involvement and participation.**

Oversight

The Task Force unanimously approved the establishment of a Taxi Commission to provide better customer service, oversight and regulation.

The Task Force voted to make the following recommendation:

- **Create a sub-committee to draft legislation to present to the voters for the creation of a Taxi Commission.**

XIV. WORKING COMMITTEES

At the conclusion of the Task Force, Mayor Brown and Supervisor Newsom created three working groups which will address issues which need greater deliberation and analysis.

Those sub-committees include:

- **Safety**
- **Central Dispatch**
- **Taxi Commission**

The sub-committees will make recommendations to Mayor Brown and Supervisor Newsom for implementation.

GLOSSARY

A-card: A public passenger vehicle driver's permit issued by the Tax Collector.

Cap: An upper limit set on the rates charged for leasing medallions or taxis.

City-only permits: A proposed medallion type which will only be valid for passenger trips originating within San Francisco.

Color scheme: The color that a cab company paints its vehicles to differentiate it from its competitors; also refers to the company itself.

Corporate permit: A medallion held by a corporation. Under Proposition K, these will be phased out as corporation ownership changes and replaced with medallions issued to individuals.

Deadheading: When a driver travels a great distance without a passenger or a dispatch to pick up a passenger, usually at the Airport.

Fare: The amount that a cab driver receives from paying passengers for the rendering of taxi service; also refers to the passenger.

Gates: The fees which lessee drivers pay to Taxi leasing companies for the use of taxi vehicles.

Gge: Gallon of gas equivalent.

Global Positioning Satellite (GPS): Computerized location system which uses satellites; it is used to locate the position of vehicles which are linked to this device.

Graft: The illegal exchange of money to gain an unfair advantage.

Independent contractor: The employment status under which most cab drivers are classified. As independent contractors, drivers do not receive a minimum wage nor employee benefits such as unemployment insurance.

Medallion: A uniquely numbered metal plate issued by the Police which confers the right to operate a vehicle as a taxicab. The number of available medallions is regulated by the Police Commission with opportunity for public comment regarding the number necessary to serve the “public convenience and necessity.”

Medallion leasing: The medallion holders’ practice of leasing taxi medallions to companies or co-operatives which subsequently sub-lease the medallions and vehicles to lessee drivers.

Meter rate: The amount cabs charge to consumers; currently \$1.70 initially, \$1.80 per mile in \$.30 increments, and \$.30 per minute for waiting time.

Paratransit permit: A medallion issued for exclusive use in a disabled-accessible vehicle with passenger priority given to those with mobility impairments.

Paratransit scrip program: A program funded by San Francisco’s Municipal Railway which provides cash-equivalent coupons which can be used by the mobility-impaired for payment of taxi fares.

Peak time permits: A proposed medallion type which will only be valid during those time periods when demand for cabs is greatest.

Proposition K: A San Francisco voter's initiative passed in 1978, which reformed and revamped the taxi industry, specifically by imposing a driving requirement for post-K medallion holders and mandating revocation of corporate permits after a transfer of at least 10% of company stock.

Public Convenience and Necessity (PC & N): Public hearings held by the Police Commission to determine whether changes to the taxi industry serve the best interests of the public.

Ramp taxis: A vehicle (usually a mini-van) equipped with a lift, for the conveyance of wheelchairs.

Spare cab: A vehicle to be used as a temporary replacement when a medallion-numbered vehicle is out of service.

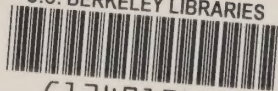
Starters: Employees of San Francisco International Airport who monitor and supervise the flow of taxis and shuttle vans.

Taxi Detail: A unit of the Police Department which supervises all for-hire vehicles and enforces the City's regulations.

Taxi stand: A curbside area designated for the exclusive use of taxis, at which taxis wait for passengers, commonly in front of hotels and large office buildings.

Taxi Task Force: An advisory body established by Mayor Willie L. Brown, Jr. in August 1997 comprised of representatives of the taxi industry, taxi drivers, and interested groups and organizations. Supervisor Gavin Newsom co-chaired the Task Force.

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